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Adm-13.2

MEMORANDUM FOR: Deputy Director for Intelligence
Deputy Director for Plans
Deputy Director for Science and Technology
Deputy Director for Support
General Counsel
Inspector General

SUBJECT: Agency Proprietaries

1. The attached report is an important step towards improvement in our management of Agency proprietaries. It requires follow-up work in several areas.

2. My specific reactions to the recommendations contained in the report are:

Recommendation #1. Much of this information is already available so that only the flow and timeliness require attention. The Office of Finance will play the primary role, but other offices in the Agency will need to supply limited amounts of non-financial data.

Recommendation #2. I consider the shorter 30-day reporting period to be highly desirable and want to try to achieve it. The change to this shorter period should apply to the [] proprietaries. The remaining ones should be encouraged also to report within 30 days where possible, but in any case appropriate steps should be taken to assure adherence to the 60-day limit.

Recommendation #3. The study requested should include a detailed look at the various possible alternatives. My present inclination is to put funds returned from proprietaries (above a certain de minimus level) into the Agency Reserve and to employ the "similar use" doctrine only where it clearly applies.

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No action necessary!

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Recommendation #4. This examination by [] and the offices will cover initially the larger proprietaries and should include consideration of the needs of each proprietary in relation to its objectives.

Recommendation #5. [] in collaboration with Directorates and other appropriate offices, should undertake the proposed study and present preliminary findings to me.

3. I would appreciate your cooperation in prosecuting the further steps called for in the report and recommendations. These should be accomplished incrementally as feasible, so that movement ahead can begin as soon as possible. [] is the point of coordination in []

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~~W. E. Colby~~

W. E. Colby
Executive Secretary
CIA Management Committee

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